



## LEGISLATIVE ANALYST MEMORANDUM

**To:** Supervisor Elsbernd, Budget and Finance Committee  
**From:** Andrew Murray, Gabe Cabrera, and Laura Riddlehoover, Office of the Legislative Analyst  
**Date:** April 19, 2005  
**Re:** **General Fund Reserve for Contingencies Comparison**

### FINDINGS

Per your recent request, attached please find information regarding the General Fund and associated reserve of California jurisdictions comparable to San Francisco. Note that some jurisdictions have formal policies of maintaining set percentages of their General Fund budgets in their reserve, which San Francisco does not.

Please feel free to contact me with any questions at 554-7781.

Regards,

Andrew Murray

<b>General Fund Reserves of Populous CA Municipalities</b>								
<b>Pop Rank</b>	<b>Jurisdiction</b>	<b>FY</b>	<b>Total Budget</b>	<b>Total Gen Fund Budget</b>	<b>Gen Fund Reserve<sup>1</sup></b>	<b>Gen Fund Reserve as % of Total Gen Fund Budget</b>	<b>Gen Fund Reserve Carry Forward from Previous Fiscal Year</b>	<b>Gen Fund Reserve Carry Forward from Previous Fiscal Year as % of Total Gen Fund Budget</b>
1	Los Angeles County	03-04	\$19.2B	\$12.6B	\$3M	0.02%	\$167.5M	1.3%
2	Orange County <sup>2</sup>	03-04	\$5.6B	\$2.5B	\$0	0.0%	\$18M	0.7%
3	San Diego County	03-04	\$4.1B	\$2.8B	\$11M	0.4%	\$0	0.0%
4	City of Los Angeles <sup>3</sup>	03-04	\$5.2B	\$3.5B	\$97M	2.8%	\$248M	7.1%
5	City of San Diego <sup>4</sup>	03-04	\$2.3B	\$743M	\$1M	0.1%	\$21.4M	2.9%
6	Alameda County <sup>5</sup>	03-04	\$1.9B	\$1.7B	\$3.4M	0.2%	NA	NA
7	Santa Clara County	03-04	\$3.3B	\$1.9B	\$69M <sup>6</sup>	NA	NA	NA
8	City of San Jose <sup>7</sup>	03-04	\$3.6B	\$824M	\$25M	3.0%	\$0	0.0%
9	City and County of San Francisco	03-04	\$4.8B	\$2.2B	\$25M	1.1%	\$0	0.0%
10	City of Long Beach <sup>8</sup>	03-04	\$1.7B	\$361M	\$0	0.0%	\$0	0.0%
1 For the purpose of this analysis, a General Fund reserve is a set aside (undesignated) for unanticipated expenditures (contingencies) in General Fund departments.								
2 Orange County uses its General Fund reserve for a broad range of expenditures, not just in response to unexpected larger-than-budgeted expenditures.								
3 The City of Los Angeles is considering raising the General Fund reserve allocation percentage from about 2% to 5%. This fund is divided into two parts: one for contingencies, the other for emergencies.								
4 City of San Diego staff stated that over time they hope to increase the reserve allocation to 5%.								
5 Information on Alameda County's General Fund reserve carry forward could not be obtained for this report.								
6 In FY 03-04, the County of Santa Clara reserved \$69M of general fund monies. It is not clear what percentage of this amount, if any, was set aside as a General Fund reserve.								
7 San Jose has a minimum allocation requirement of 3% (to be met by a combination of carry forward and appropriation).								
8 The City of Long Beach did not have a General Fund reserve until FY 04-05. In FY 03-04, it had an Emergency reserve of \$36 million, equivalent to 10% of the total General Fund budget.								